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Baker-Polito Administration Announces \$86 Million Investment in Workforce Housing

Funding will expand programming, enable workforce homeownership

MATTAPAN – Today, Governor Charlie Baker joined Undersecretary for Housing and Community Development Janelle Chan, MassHousing Executive Director Chrystal Kornegay, legislators and affordable housing advocates to announce \$86 million in new funding to expand the Workforce Housing Initiative, including \$60 million to support homeownership.

The investment announced today will allow MassHousing to expand this initiative and develop new homes to increase first-time homeownership opportunities. The \$60 million commitment will create roughly 500 new workforce homes that will be affordable and accessible for moderate-income, first-time homebuyers. The remaining \$26 million will support the creation of roughly 260 new workforce housing rental units.

“Since taking office, our administration has invested more than \$1 billion into affordable housing, building and preserving tens of thousands of units for residents and families across the Commonwealth,” **said Governor Charlie Baker**. “We are proud to add an additional \$86 million of funding targeted towards middle-income families, and we will keep advocating for the passage of the Housing Choice legislation to boost the production of much-needed units.”

“Access to adequate, affordable housing is critical to the growth of our communities and the families that comprise them,” **said Lt. Governor Karyn Polito**. “Governor Baker and I will continue to draw upon every tool at our disposal to promote housing options for residents, and look forward to using today’s new funding to help more families buy their first homes and lay roots in their neighborhoods.”

Launched in 2016, the [Workforce Housing Initiative](#) supports the development of homes for middle-income households who struggle to meet high housing costs, but do not qualify for traditional

affordable housing. Since then, MassHousing has committed or closed workforce housing financing totaling \$73.4 million to 31 projects in 16 communities across the state, making the Workforce Housing Initiative the largest state-level middle-income housing program in the United States.

Governor Baker made the announcement at Olmsted Green, a multi-phased workforce housing development at the site of the former Boston State Hospital. Led by Lena New Boston, a partnership between Lena Park Community Development Corporation and the New Boston Fund, the transit-oriented re-development of former Boston State Hospital will feature more than 500 mixed-income units once completed, including 41 townhomes that extend homeownership to families otherwise unable to afford it. In June 2018, the Governor joined Mayor Martin Walsh to cut the ribbon on the project's latest phase.

A [2018 MassWorks grant](#) worth \$3 million funded the road and subsurface work required to deliver the project's final 268 additional units of housing, 109 of them affordable.

"The housing shortage facing Massachusetts continues to intensify and poses a serious threat to maintaining our recent economic success," **said Secretary of Housing and Economic Development Mike Kennealy**. "From our Housing Choice legislation to our affordable housing investments, our team is working around the clock to address this crisis head-on, and this additional investment in workforce housing is a meaningful step forward."

"Across the Commonwealth, the need for more housing, for households at every stage of life and across all incomes is only growing," **said Housing and Community Development Undersecretary Janelle Chan**. "Our team is committed to meeting this critical housing challenge with new initiatives and funding, and today's recapitalization of the Workforce Housing Fund is another great example."

"We are thrilled the Baker-Polito Administration is investing in MassHousing's Workforce Housing Initiative, the largest statewide program providing middle-income households with affordable homes," **said MassHousing Executive Director Chrystal Kornegay**. "This substantial new state commitment will build on that success, opening new homeownership opportunities for Massachusetts workers, while also creating hundreds of new workforce housing rentals. It will advance our efforts to close the state's racial homeownership gap, and unlock sustainable, inclusive economic growth."

"Homeownership is the American Dream – when we own a home, we have security and an investment in our future. For too many people, particularly households of color, that dream is out of reach. Investing in homeownership is an investment in the Commonwealth's residents, our communities, and the state's economic growth," **said CHAPA CEO Rachel Heller**. "Today's announcement is exciting, and we applaud the Baker-Polito Administration for making this significant investment."

"Olmsted Green is a clear demonstration of what is made possible by unique programs like the one Governor Baker announced here today," **said Jerry Rappaport Jr. of New Boston Fund**. "We are incredibly proud of the success of this development, which has delivered hundreds of opportunities for rental and homeownership to the workforce community here in Mattapan. We look forward to continuing this project and serving as a model for similar homeownership opportunities across the Commonwealth."

“A healthy mix of both workforce rental and workforce ownership housing is vital to building strong and vibrant communities across the Commonwealth. This is especially true in neighborhoods of color which are last to see investments from traditional lenders,” **said Representative Russell E. Holmes**. “Today’s announcement ensures a commitment to solutions that help address the wealth disparity that continues to grow as home prices become more and more out of reach for modest income first time home buyers.”

“Homeownership is an important step in addressing the wealth gap in communities of color,” **said Representative Carlos Gonzalez, Chair of the Black and Latino Legislative Caucus**. “I commend Governor Baker for this bold initiative that will provide economic resources that will have impact today and for future generations.”

This \$86 million commitment to expanding MassHousing’s Workforce Housing Initiative is being made possible through the capital the state received from the sale of General Electric’s headquarters.

The Baker-Polito Administration has shown a deep commitment to increasing the production of housing across income levels. Since 2015, the administration has invested more than \$1 billion in affordable housing, resulting in the production and preservation of more than 17,000 housing units, including 15,000 affordable units. In 2018, [Governor Baker signed the largest housing bond bill in Massachusetts history](#), committing more than \$1.8 billion to the future of affordable housing production and preservation. The Baker-Polito Administration has also advanced the development of more than 7,000 mixed-income housing units through the successful MassWorks Infrastructure Program, reformed the Housing Development Incentive Program, and worked with communities to implement smart-growth development and planning efforts.

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